

## MI-LOAN Program Features

PROGRAM FEATURES	BOTH PROGRAMS	CREDITWORTHY PROGRAM	CREDIT READY PROGRAM
Eligible Borrowers (Student or Parent)	At least 18 years of age, not in default on any education loans and meet all credit standards and requirements		
Forbearance	Principal only, requiring monthly interest payments  Principal and interest, accrued interest is added to the principal balance of the loan (capitalized) at the end of each forbearance period  Forbearance may be requested verbally or in writing  Up to 12 months per request  A maximum of 5 years, included in the 25-year repayment period		
Loan Limits	Minimum loan amount of \$500  Maximum per year – Cost Minus Aid	Cumulative program maximum of \$125,000	Cumulative program maximum of \$75,000
Interest Rates		5.95 % – Fixed  4.53 % – Variable ( effective 07/01/2005)	8.50 % – Fixed  Variable – Not Available
Fees	Deducted from the loan proceeds at disbursement.	Reserve Fee 3.50%	Reserve Fee 5.00%
Credit History	Applicants must meet credit standards and requirements involving a review of credit history	Income documentation is not required when submitting the loan application, unless deemed necessary  A debt-to-income ratio  Two years of continuous employment	An applicant's income, debts and employment history are <u>not</u> considered
Repayment Terms	First monthly payment scheduled within 60 days of the first disbursement  25-year repayment period may include five years of forbearance  Minimum \$50 monthly payment per borrower		
Loan Cancellation	Loan may be cancelled if:  Disbursed funds are returned to MHESLA or the servicer within 30 days of the date of disbursement  Within 30 days of the date of the Loan Disclosure, the borrower requests the school, in writing, with a copy to MHESLA or the servicer, to return the funds  The student dies  The student becomes totally and permanently disabled	If the cosigner dies or becomes totally and permanently disabled, the loan is <b>NOT</b> cancelled.	
Release of Cosigner		If the first 24 regular payments of principal and interest are paid consecutively and on time, and the borrower meets the required creditworthy credit standards; the cosigner(s) may be released from all obligations on the loan.	No cosigners.